

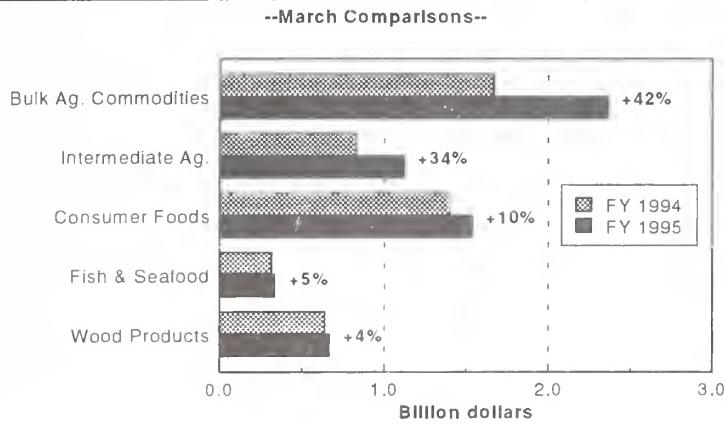
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Agricultural Trade Highlights

Exports Up 29 Percent in March

Bulk Commodities Continue to Lead Growth



March trade statistics released on May 18 by the Department of Commerce placed the value of U.S. *agricultural, fish and forest, product* exports at \$6 billion, a 24-percent increase over the March 1994 level. Agricultural exports alone totaled \$5 billion, up 29 percent over year-ago levels. Fish and forest product exports totaled \$1 billion in March, a 4-percent increase over the same month last year.

March shipments brought U.S. exports of agricultural, fish and forest products to \$33.4 billion for the first half of fiscal 1995. This represents a 21-percent increase over the same period last year which ended in a record \$53.5 billion. Agricultural products remained the best performers. Agricultural sales were up 24 percent over the same period last year to \$28.4 billion. U.S. fish and forest product exports reached \$5.1 billion, up 6 percent from the same period last year.

At \$2.4 billion in March, U.S. exports of *bulk commodities* were up 42 percent from the same month last year. Six of the nine commodity groups in this category rose with the sharpest gains recorded for cotton and coarse grains. Cotton exports rose 140

percent over last year's figure, continuing to reflect sharply higher sales to China. Coarse grain sales were up 38 percent, as increased sales of corn to China and other East Asian countries continued. During the first half of fiscal 1995, exports totaled \$13.2 billion, up 29 percent over the same period last year with all commodity groups registering gains.

U.S. exports of *intermediate products* reached \$1.1 billion in March, up 34 percent from the same month last year. Gains were broad-based with 9 of the 11 product groups registered increases. The strongest increases were recorded for soybean oil, other vegetable oils and animal fats. Increases swamped the small declines recorded for planting seeds and beverage bases. Live animal sales were flat, largely reflecting the slowdown in sales to Mexico, our largest market. For the first half of fiscal 1995, exports were up 22 percent to \$6 billion.

Despite continued slow sales to Mexico, worldwide exports of U.S. *consumer-oriented products* continued to rise in March. Sales totaled \$1.5 billion, representing a 10-percent increase over the same month last year.

Gains were broad-based with exports rising in 12 of 16 product categories. The largest value increases were recorded by poultry meats, chilled and frozen red meats, poultry meat, and processed fruit and vegetables. Sales of snack foods, tree nuts, breakfast foods and nursery products fell. March's performance brought exports during the first half of fiscal 1995 to \$9.2 billion, up 17 percent from the same period last year. Like intermediate products, consumer foods are clearly headed for a new record.

At \$337 million in March, U.S. *edible fish and seafood* exports rose 5 percent over the same month last year. Gains were broad-based with increases in exports of surimi, roe and urchin and lobster offsetting a decline in crab and crabmeat sales. U.S. fish and seafood exports finished the first half of fiscal 1995 at \$1.4 billion, up 6 percent from the same period last year.

U.S. *forest product* exports rose to \$672 million in March, up 4 percent from the same month last year, with logs accounting for most of the gain. During the first half of fiscal 1995, forest product exports rose 6 percent over year-ago levels to \$3.6 billion.

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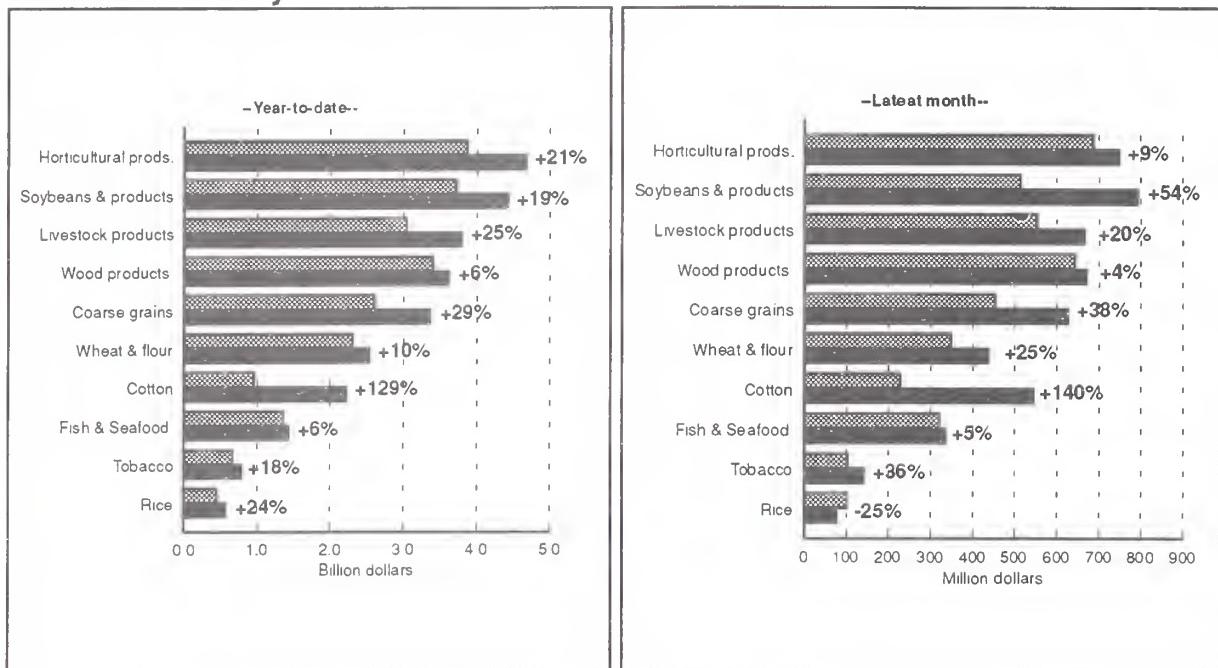
U.S. Agricultural, Fish and Wood Export Summaries

October-March and Latest Month Comparisons

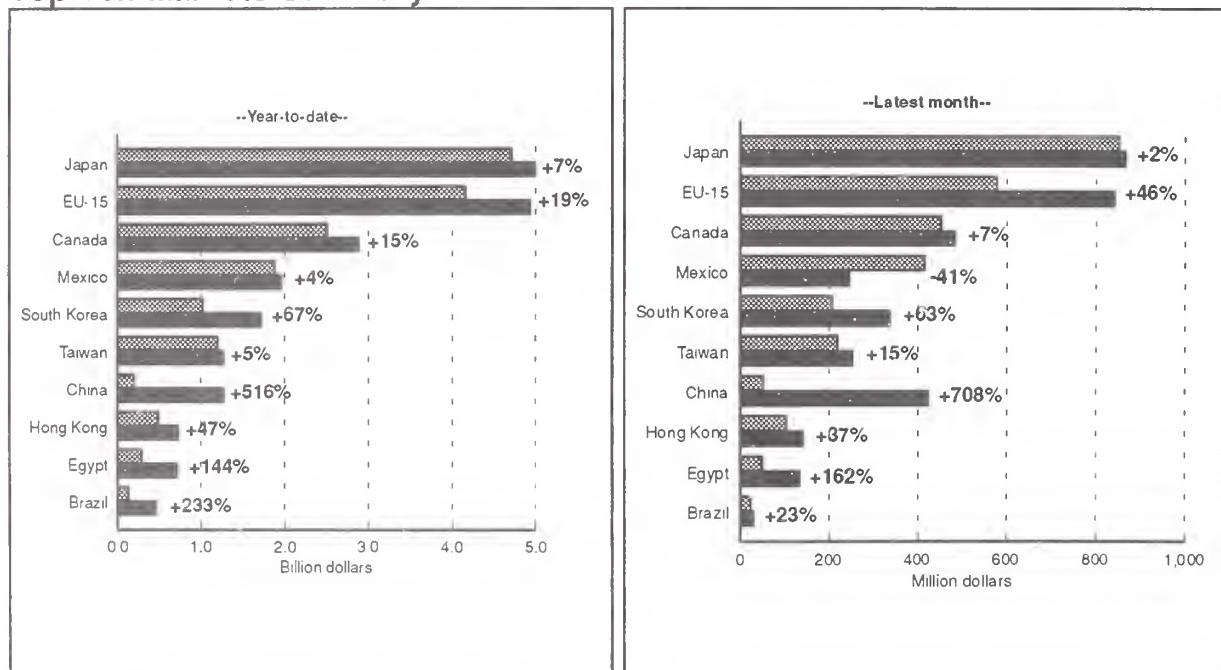
FY '94

FY '95

Product Summary



Top Ten Markets Summary



Note: Percentages are computed as the change from a year ago.

Consumer Food Highlights

U.S. consumer food exports totaled \$4.2 billion for the first quarter of 1995, an increase of 15 percent over the same period one year ago. All but two of the product categories highlighted this month showed increases, with most growing in the double-digits. Juices, wine and beer, and poultry meat posted the largest percentage gains for the period.

Exports of chilled and frozen red meats in the first quarter of 1995 totaled \$889 million, a 20-percent increase over the first quarter of 1994. Beef sales continue to dominate, accounting for \$539 million of red meat sales. However, pork sales have risen 82 percent to reach \$170 million this quarter. Japan continues to be the largest market for red meat sales, with shipments rising 27 percent to \$549 million during the quarter. It is also the largest market for pork, with sales up 49 percent to \$107 million during the same period.

Exports of fresh fruit totaled \$429 million for the first quarter of 1995, 8 percent ahead of the same period last year. Exports to Japan rose 25 percent during the period with most of the growth coming from a \$14 million increase in oranges sales. With the opening of the Japanese apple market, U.S. exports now total \$5.2 million since January. Canada remains the top market for U.S. fresh fruit exports but the market is stagnant, with sales dropping 5 percent from the same time last year.

Sales of processed fruit and vegetables grew 20 percent to \$457 million during the first three months of 1995. Asia continues as the main engine of growth. Japan remained the top market importing \$124 million from the United States, a 21-percent increase over last year. Top products included french fries and sweet corn. Exports to the European Union were \$92 million in the first three months of 1995, a 29-percent gain over last year. Canadian sales, led by tomato pastes and sauces, increased 12 percent over last year to \$37 million.

1994's record setting pace for sales of poultry meat continued into 1995, as

first quarter sales reached \$439 million, up 39 percent from the same quarter last year. Price is a driving factor in the success of U.S. poultry exports, as poultry continues to be an inexpensive source of animal protein. Russia has emerged as the leading poultry market with sales up 89 percent to \$121 million. Hong Kong is the second largest market with sales reaching \$94 million, up 88 percent. A high percentage of exports to Hong Kong are re-exported to China. South Africa has emerged as a new market for U.S. poultry. Shipments have already reached an annual record of \$15 million in just the first quarter of this year.

Sales of snack foods in the first quarter of 1995 reached \$234 million, 8 percent lower than the same quarter last year. Much of the drop may be attributed to the sharp decrease in shipments of confectionery products to Russia and Mexico. Snack food exports excluding shipments to those countries rose 6 percent. Confectionery products, which make up nearly half of snack foods, fell 14 percent to \$115 million. Bakery product sales were unchanged, while chip shipments grew by 8 percent. Excluding Mexico, chip exports grew by 19 percent. Brazil is one of a number of new growth markets for snack foods in South America.

U.S. fresh vegetable shipments totaled \$287 million in the first quarter of 1995, up 21 percent from the same quarter last year. Canada continues as the largest market with sales of \$198 million, 24 percent higher than last year at this time. Weather related price hikes account for most of the increase, particularly for cabbage, broccoli, lettuce and celery. Carrots are an exception, with both the value and volume nearly doubling. Exports to the EU fell 7 percent to \$7.2 million this

quarter. Much of the decline appears to be due to lower shipments of asparagus because of adverse weather conditions in California.

U.S. pet food exports were \$152 million for the first quarter of 1995, a 14-percent increase over the same period a year ago. Japan drove most of the category's growth, with sales up 55 percent. This puts Japan on pace to surpass Canada as the largest market for U.S. pet food exports by the end of the year. Increases were also registered in the UK, Italy, France, and Spain despite overall relatively unchanged sales to the EU-15. Other growth markets during the period included Taiwan, South Korea, Australia, and Argentina.

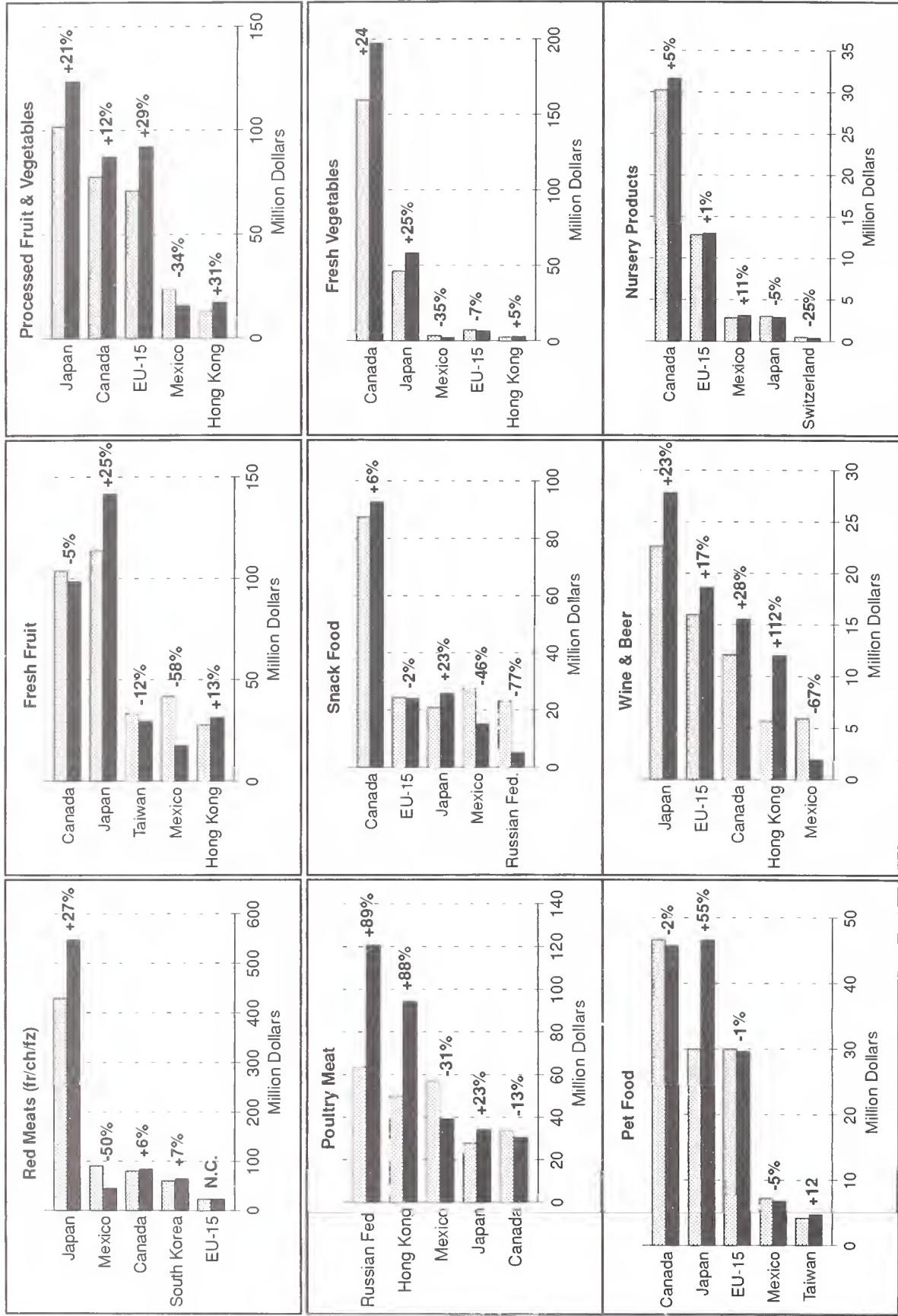
Sales of wine & beer totaled \$130 million in the first quarter of 1995, 45 percent higher than during the same quarter last year. Two thirds of wine and beer exports are beer. Continuing 1994's record setting pace, beer exports totaled \$85 million, up 68 percent from the same quarter last year. Japan continues as the largest market with total beer sales of \$21 million, up 18 percent. Wine shipments totaled \$42 million, up 15 percent from the same quarter last year. The United Kingdom, Japan, Switzerland, and Taiwan were the leading growth markets.

Nursery products and cut flower exports increased slightly to \$55 million in the first quarter of 1995. Canada remains the primary outlet for these products with \$32 million in sales so far this year, up 5 percent from the same period last year. Exports to Mexico were up slightly over last year, totaling \$3 million for the first quarter. March represents the first month since the peso devaluation that nursery products and cut flowers have shown growth. Sales to the European Union totaled \$13 million for the first quarter of 1995 showing no change from sales in 1994.

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Top Five Markets for Selected U.S. Consumer Foods

January Through March Comparisons CY'94 CY'95



Notes: Percentages are computed as the change from 1994 to 1995. Countries are ranked from highest to lowest based on full CY 1994 exports.

Country Spotlight: Japan

Japan continues to be the largest market for U.S. agricultural exports, with sales reaching a record \$9.3 billion in 1994. Growth has been concentrated in the high-value sector for some time, boosted most recently by the stronger yen. Trends on Japan's domestic front signal new opportunities for further U.S. expansion. Increased price sensitivity among consumers, discounting by large retailers, and domestic deregulation are changing the face of retailing in Japan, while the decline of Japan's domestic agriculture and changes in the political establishment are contributing to increasing openness toward imported products. Although food safety restrictions and negative consumer perceptions of imports still pose significant challenges, regional and national shifts in demographics represent additional market potential.

by Karen Halliburton

U.S. agricultural exports to Japan reached a record \$9.3 billion in 1994, a 5-percent increase over the previous year. Japan is the largest market for U.S. agricultural exports, accounting for 10 percent of the world total. U.S. agricultural, fish, and forestry exports, combined, rose 3.3 percent in 1994 to reach a new annual record of \$14.3 billion.

Consumer foods have been the fastest growing category of U.S. agricultural exports, totaling \$4.3 billion in 1994. Annual sales have increased an average

11 percent over the last five years, nearly doubling in value. Consumer foods also became the largest category for U.S. agricultural exports in 1994, accounting for 46 percent of total sales to Japan and exceeding bulk shipments for the first time. U.S. bulk exports gained only 2 percent in 1994, while overall intermediate products sales declined slightly. Thus, there has been a shift in the composition of U.S. agricultural exports to Japan toward more high-value processed food products.

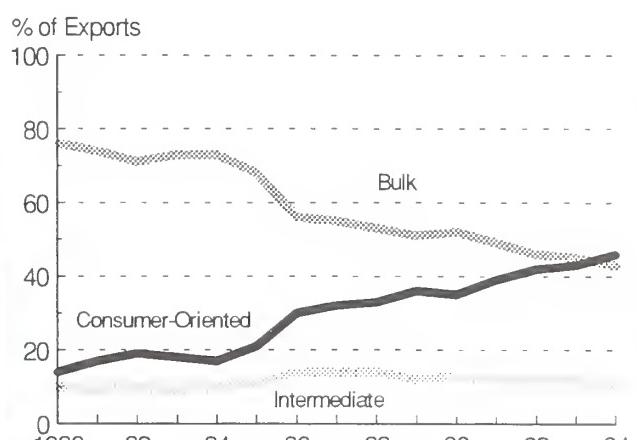
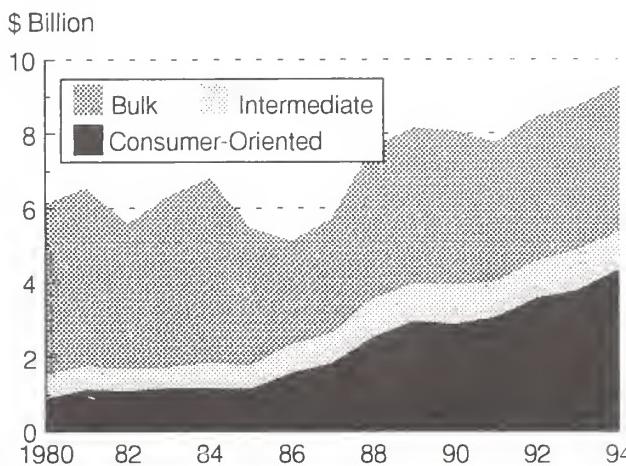
High-Value Products Lead U.S. Export Growth to Japan

Nearly all U.S. consumer food export categories set new record highs in 1994. Products showing the strongest growth compared to 1993 levels were beer (up 166 percent to \$154 million); snack foods (up 72 percent to \$112 million) led by chips; and fresh vegetables (up 63 percent to \$186 million) led by broccoli, cauliflower, onions, and asparagus.

Other consumer products showing double-digit growth from 1993 to 1994 were breakfast foods, juices, condiments, surimi, poultry meat, processed red meats, fresh fruit (led by sweet cherries, strawberries, and apples), processed fruit and vegetables (led by frozen french fries and canned sweet corn), and dairy products (led by ice cream and cheese).

Highly processed foods that can be served with minimal on-sight preparation and cooking time are in high demand in the food service sector. Specialized products requiring specific sizing, quality, and taste for restaurant chains include portion cut chilled beef and frozen vegetables. Retort pouch and frozen foods are among the fastest growing sectors of the Japanese food

U.S. Consumer Food Exports Lead the Growth Boom to Japan Total Agricultural Sales Reach Record \$9.3 Billion in 1994



market, as well as healthy foods in general.

Rice has been the fastest growing U.S. bulk export to Japan since the market opened in late 1993. Sales soared to a record \$238 million in 1994. Sales of vegetable oils, excluding soybean oil, also reached a new record in 1994 of \$84 million, a 29-percent increase over 1993.

Japan continues to be a large, if not the largest, cash market for many other U.S. bulk and intermediate commodities, although not all have shown strong growth. These include wheat (\$592 million), coarse grains (\$1.5 billion), soybeans (\$833 million), cotton (\$327 million), tobacco (\$356 million), feeds and fodders (\$376 million), and hides and skins (\$235 million). Wheat, cotton, and tobacco registered increased shipments in 1994. Logs and lumber (softwood) are the strongest forest product prospects, with exports totaling \$1.8 billion and \$760 million, respectively, in 1994.

Bargain Shopping Trend Continues Despite Economic Recovery

Japan has the world's second largest economy, boasting a GDP of more than \$4 trillion and a per capita income of

nearly \$30,000. However, in 1993, it posted the lowest calendar year GDP growth (0.1%) since 1974, and registered only 0.9% growth in 1994. The economic slowdown, which began in mid-1991, has been the second longest recession on record since World War II. Forecasters predict a return to modest GDP growth over the next 3-5 years, but caution there are downside risks to the growth scenario such as the risk of recession in Japanese export-dependent industries adversely affected by the stronger yen.

There has been a fundamental change in the attitude of Japanese consumers during the last several years. Awakened by the recession to the exorbitantly high prices they have been paying relative to the rest of the world, consumers have become price-conscious, seeking value as well as quality in their purchases of food and other consumer products. Even though the economy is now in slow recovery, the trend has persisted and indicates a permanent change in consumer behavior.

In conjunction with the increasing price sensitivity of consumers, the appreciation of the yen during the past several years has been a considerable stimulus for U.S. exports. Since the fall of the exchange rate below 100 yen

to the dollar in mid-1994, imported products have become even more price competitive with domestic products. This situation is likely to continue in the near term in light of the size of the U.S. trade deficit with Japan. Adverse domestic climatic events have also provided windows of opportunities for U.S. exporters to enter the market on a price competitive basis.

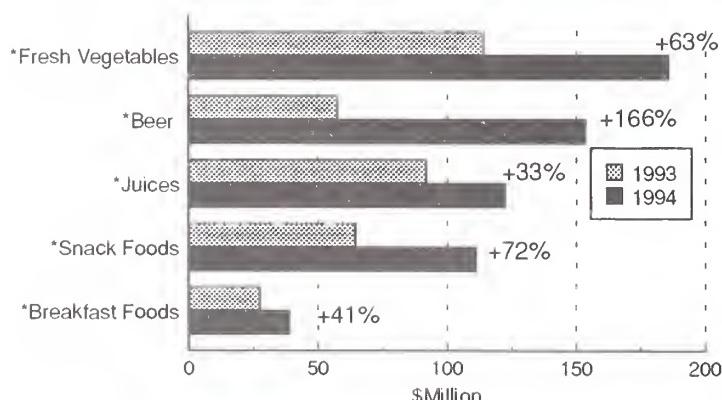
A number of demographic changes in Japan have also been driving demand for imported food products and are likely to become more pronounced as the 21st century approaches. There is a growing number of households headed by singles and working women. The number of nuclear families has increased, while the size of the average family is shrinking. Japan's population is also aging; the ratio of persons over 65 to those of working age will be reduced nearly by half by the year 2000.

Changes in the Retail Distribution System Spark New Opportunities

Large Japanese food retailers (particularly Daiei, Ito-Yokado, Jusco, and Seiyu) have responded to the change in consumer attitudes toward value buying with discounting. In the past discounting was frowned upon because of its association with lower quality merchandise. However, this image has changed and discounting has become more mainstream as consumers have become more price sensitive. High quality imported food products, made cheaper by the strengthening of the yen, have contributed to much of the new price competition.

Japanese retailers have also begun competing with their own lines of lower-priced private label brands. In terms of food items, this has mainly occurred with beer, cola, orange juice, and frozen vegetables so far. Major Japanese brand manufacturers have joined the price revolution to a lesser degree, under pressure to slash prices by the large volume retailers. In cases where manufacturers have raised prices, retailers have either absorbed the increase for consumers and sold the

U.S. Beer and Snack Food Exports Among Strongest Growth Products



...Japan

products below the manufacturer's suggested retail price or cut costs through directly imported products. Deregulation, discussed in the next section, could shift even more power over pricing decisions into the hands of retailers.

The current movement by the Japanese Government to deregulate the domestic industry could have a substantial impact on Japan's retail system and represents what could be the first of a continuing series of deregulatory efforts. The most important changes for the food industry have been revisions to the Large-Scale Retail Stores Law, the easing of liquor licensing restrictions, and stricter enforcement of the Anti-Monopoly Law. The number of large retail outlets has been increasing rapidly under the new rules. Supermarkets have been allowed to extend their hours and annual store holidays have been reduced. Liquor retailing has been opened to large-scale retailers for the first time, particularly supermarket chains and newly formed discount liquor stores in the suburbs. Stricter enforcement of the Anti-Monopoly Law could potentially collapse the traditional fixed pricing and rebate system controlled by manufacturers and improve distribution efficiency.

Supermarkets, convenience stores, and department stores currently represent nearly half of all retail food sales, yet they account for only one-fifth of total retail outlets. The rapid spread of

convenience stores during last three years, reflects more working women, longer shopping hours, and increased demand for pre-cooked convenience foods. Supermarkets have also grown at a rapid rate, while smaller mom and pop stores have steadily been declining. Although Japan's retail distribution system continues to modernize, it faces an extreme space shortage problem, both for display and storage.

Steady growth has also occurred in the Japanese food service industry (\$255 billion in sales in 1993, up 25 percent from 1991). While the number of restaurants is shrinking, the total value of restaurant sales is increasing, indicating the development of larger, more professional operations. Eating out now accounts for 17 percent of a Japanese household's average monthly expenditures for food and drink (up from 11 percent in 1975 and 15 percent in 1985).

Japan's Booming Import Market Is Up for Grabs

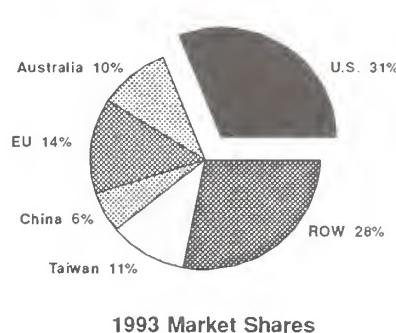
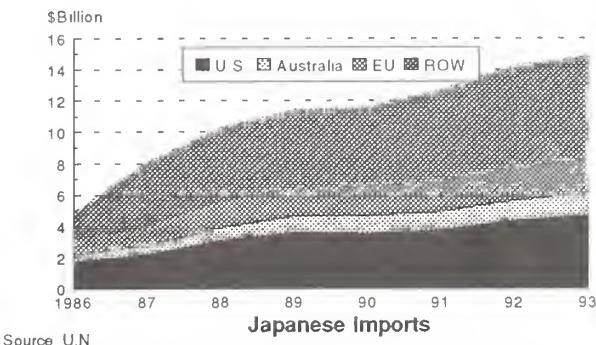
Japan is the world's largest agricultural importer, importing a record \$28.7 billion in agricultural commodities and food products in 1993. The United States is the market's leading supplier, with a 37-percent share overall. Australia, the European Union, and China are the primary competitors, each with roughly 10 percent of the overall import market. Although the U.S. expanded market share during the late

1980s, it has successfully maintained its share of the growing Japanese import market since that time.

While the United States currently accounts for nearly half of Japan's bulk market, and just under one-third of both the high-value intermediate and consumer food markets, U.S. products continue to face a mixed reception and stiff competition, particularly in the high-value sector. Although American products still have a strong appeal in Japan dating back to the cultural ties established since World War II, U.S. products are also perceived to be less sophisticated than Japanese or European food products. The European Union poses significant competition for highly processed packaged specialty items, enjoying a reputation for refinement unmatched by U.S. products. The close proximity of Pacific Rim competitors to the Japanese market, such as China and Taiwan, gives them a cultural affinity and shipping cost advantage, as well as easier access to the same time zone's business day.

Vying for increased market presence and visibility, Australia, New Zealand, the European Union, and Canada regularly conduct promotional activities in retail stores, hotels, and restaurants. Although the relative size of competitor export promotion funding is not known, recent decreases in U.S. export promotion funding have been accentuated by the appreciation of the yen, which has greatly diminished the

U.S. Holds Nearly One-Third Share of Japan's Consumer Food Import Market Strong Competition from Europe, Australia, and Taiwan



Tremendous Untapped Market Potential in Western Japan

Tokyo has historically been the center of business and trade in Japan. One-quarter of the country's population is concentrated in Tokyo and the surrounding Kanto Plain region, equivalent to the New York and Los Angeles metropolitan areas combined. However, while Tokyo continues to be the largest and most dynamic market segment, it is highly penetrated for imports relative to other regions of the country. Western Japan, on the other hand, which encompasses nearly one-half of Japan's population, appears to represent enormous untapped import potential.

The Kansai region of Western Japan is the country's second largest economic center after Tokyo. The cities of Osaka, Kobe, Kyoto, and Nara drive the region's economy. The Kansai has a population of roughly 22 million (17 percent of Japan's total) and a Gross Regional Product of nearly \$700 billion. This is larger than the GNP of Canada, twice as large as that of Australia, and even greater than the combined GNPs of the Four Asian Tigers (Korea, Taiwan, Hong Kong, and Singapore). The Kansai's per capita income of nearly \$33,000 is slightly higher than that of Japan as a whole or the United States. Growth in pharmaceuticals, biotechnology, consumer electronics, textiles, and transportation industries has transformed the region's economy from a traditional reliance on heavy steel and machinery.

Aggressive economic development in the region signals additional export opportunities. The recent opening of the Kansai International Airport in Osaka Bay is among close to 1000 major projects, either planned or in progress. Reconstruction of the Port of Kobe will also modernize handling facilities after the recent earthquake. With internal transportation costs being prohibitively high, direct U.S. shipments to regional Japanese ports would significantly reduce time and transportation costs for regional Japanese retailers.

The Kansai also serves as an entry point into other untapped regions of Western Japan. Nagoya is currently Japan's third largest metropolitan area after Tokyo and Osaka and the hub of the 13-million person Chubu region. The region is the core of Japan's automotive, aerospace, machine tools, and ceramics industries and has a GDP the size of Canada's. The Chubu New International Airport is one of numerous public and private projects proposed for that region. However, Fukuoka and the Kyushu-Yamaguchi region, also in Western Japan, is quickly developing, and may soon displace Nagoya as Japan's third largest economic center. It has a population of 15 million, in a land area the size of Switzerland. With a Gross Regional Product of roughly \$410 billion, its economy is 1.6 times that of Korea and 2.6 times that of Taiwan.

buying power of each promotional dollar spent in the country.

Japan's own food processing industry provides substantial competition for foreign suppliers, with its sophisticated management, leading technology, vast distribution networks, established brand awareness, attention to packaging, understanding of consumer needs, and prompt responsiveness to emerging trends. However, high domestic production costs have driven Japanese firms to expand imports. According to a recent study by the McKinsey Global Institute, the U.S. food processing industry is three times more productive than its Japanese counterpart. One impact of this is greater Japanese investment in production and food processing facilities in the United States, as well as in other countries

such as Australia, China, and Vietnam.

Imported foods now account for more than half of Japan's annual caloric intake and are likely to continue to expand given the increasing openness toward foreign products. This shift partially reflects Japan's dwindling and aging agricultural base and the waning of the government's traditional influence over the private sector to resist imports.

Progress Continues on Agricultural Trade Policy Issues

A number of trade policy successes have helped open the Japanese market to U.S. products in recent years. Market access has been improved for sweet cherries, beef, citrus, and wood products. For instance, as a result of the 1988 U.S.-Japan Beef and Citrus

Agreement, the value of U.S. beef exports to Japan has more than doubled since the market's liberalization. Growth in the volume of sales has been even greater. U.S. fresh sweet cherry exports have nearly doubled in value since year round market access was negotiated in 1992. Prior to that time, the U.S. product was allowed into the market for only few days a year.

The 1990 U.S.-Japan Wood Products Agreement has also benefitted exports of U.S. forest products. Higher value panel products have experienced the highest percentage growth, increasing 60 percent in value since 1990. Total forest products reached a record of \$3.1 billion in 1993. While housing starts have increased and world prices for wood have risen over the period, the liberalization of restrictive Japanese

uilding codes also accounts for the growth in exports. Although incremental tariff reductions under the agreement did not begin until this year, all forest product categories were showing growth as of the first quarter of 1995. The combination of implementation of the Wood Products Agreement and the need for reconstruction after the earthquake in Kobe could open even greater opportunities for U.S. exports in the near-to-medium term as Japanese inventories are depleted.

phytosanitary restrictions on U.S. red delicious apples from Washington State were lifted last December, opening that market for the first time after more than a decade of negotiations. According to the Washington State Apple Commission, potential apple sales this

year could be up to 700,000 cases with a value of more than \$9 million. This maximum potential is based on the amount of acreage agreed to be inspected, and future negotiations will focus on expansion of the inspection program. However, despite these significant inroads for apples, food safety issues and inspection procedures for many other fresh produce items continue to dominate trade policy concerns.

This year's implementation of the long-awaited Uruguay Round of the GATT Agreement also brings increased market opportunities. One of the most significant outcomes was the removal of the import ban on rice. The U.S. is expected to supply approximately half of Japan's rice imports. Tariffs will also be decreased over the next six

years under the Agreement for a number of products, including beef, ice cream, cheese, peaches, fruit cocktail, oranges, grapefruit, sweet corn, wine, candy, soybean oil, and various other oilseeds.

For more information on the Japanese market for U.S. food and agricultural products contact: the Office of Agricultural Affairs, American Embassy, Tokyo at Tel: (81-3) 3224-5000 Fax: (81-3) 3589-0793; the Agricultural Trade Office, Tokyo at Tel: (81-3) 3224-5115 Fax: (81-3) 3582-6429; the Agricultural Trade Office, Osaka at Tel: (81-6) 208-0303 Fax: (81-6) 208-0306.

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Upcoming Food and Beverage Trade Shows in Japan

The Tokyo International Seafood Show '95, June 13-15
Contact: JES Ltd., Fax: 81-3-3814-8687

FoodService Industry Fair 1995, September 13-15, Tokyo
Contact: Japan Food Service Wholesale Association, Fax: 81-06-561-3223

Foodex 1995, September 19-22, Osaka
Contact: Japan Management Association-Convention Division, Fax: 81-3-3434-8076

Caterex 1995, November 7-10, Tokyo
Contact: Japan Management Association, Fax: 81-3-3434-8076

World of Private Label in Asia, January 24-25, 1996, Tokyo
Contact: Private Label Manufacturers Association, Fax: 212-983-1382

Foodex 1996, March 11-15, Tokyo
Contact: Japan Management Association-Convention Division, Fax: 81-3-3434-8076

Wine, Beer, and Liquor Japan, May 27-30, 1996, Tokyo
Contact: JES Ltd., Fax: 81-3-3814-8687

International Food Fair, October (to be announced), 1996, Kitakyushu
Contact: Nishinippon International Trade Fair Commission, Fax: 81-93-9352

Japan Food Service Show, November (to be announced), 1996, Tokyo
Contact: Japan Foodservice Association, Fax: 81-3572-5099

U.S. Exports of Agricultural, Fish & Wood Products to JAPAN

Calendar Years 1990 to 1995 and Year-to-Date Comparisons (\$1,000)

Product	Calendar Years					January-March		%
	1990	1991	1992	1993	1994	1994	1995	
Bulk Agricultural Total	4,136,708	3,749,392	3,888,479	3,880,272	3,943,795	1,149,686	1,119,107	-2.7%
Wheat	420,368	422,107	584,350	518,988	591,785	141,492	110,627	-21.8%
Coarse Grains	1,954,029	1,698,350	1,670,623	1,731,478	1,532,918	452,945	490,812	8.4%
Rice	561	874	1,064	13,970	238,003 *	89,955	597	-99.3%
Soybeans	817,592	864,452	873,801	976,770	832,550	230,497	239,347	3.8%
Cotton	580,090	482,641	329,188	249,931	327,056	81,767	137,202	67.8%
Tobacco	303,314	224,087	372,297 *	334,102	355,831	134,487	119,313	-11.3%
Pulses	17,750	18,041	11,914	15,160	15,774	2,478	4,226	70.5%
Peanuts	12,125	7,495	13,351	9,425	8,109	2,111	2,647	25.4%
Other Bulk Commodities	30,878	31,345	31,892	30,449	41,768 *	13,956	14,337	2.7%
Intermediate Agricultural Total	1,050,389	923,853	977,897	1,056,241 *	1,013,920	255,205	302,823	18.7%
Wheat Flour	108	59	379	2,909	7,271 *	2,362	447	-81.1%
Soybean Meal	4,493	4,953	36,699	47,471	17,501	7,020	25,691	266.0%
Soybean Oil	196	196	771	294	2,369	0	1,882	NA
Other Vegetable Oils	46,155	44,798	41,322	64,800	83,548 *	25,436	22,498	-11.6%
Feeds & Fodders (excl. pet foods)	295,775	319,587	335,747	415,648 *	376,266	100,277	96,291	-4.0%
Live Animals	57,337	61,919 *	51,528	39,667	47,516	16,428	28,476	73.3%
Hides & Skins	455,477	280,547	286,430	265,052	234,951	33,907	49,301	45.4%
Animal Fats	16,085	22,942	19,591	12,646	15,213	3,784	6,353	67.9%
Planting Seeds	45,615	46,956	54,748 *	49,372	51,726	20,986	24,105	14.9%
Sugars, Sweeteners & Bever. Bases	13,195	18,950	36,405 *	20,793	34,150	8,486	7,657	-9.8%
Other Intermediate Products	115,951	122,948	114,278	137,590	143,409 *	36,518	40,122	9.9%
Consumer-Oriented Agricultural Total	2,838,662	3,039,439	3,551,378	3,758,284	4,304,216 *	939,346	1,161,102	23.6%
Snack Foods (excluding nuts)	59,654	49,136	54,152	65,009	111,542 *	21,035	25,911	23.2%
Breakfast Cereals & Pancake Mix	17,892	13,675	16,974	27,819	39,242 *	9,729	5,370	-44.8%
Red Meats, Chilled/Frozen	1,413,790	1,391,961	1,804,991	1,905,520	1,974,927 *	431,007	548,741	27.3%
Red Meats, Prepared/Preserved	35,870	34,096	34,453	43,145	51,263 *	11,594	11,250	-3.0%
Poultry Meat	123,206	169,251	152,210	141,980	172,791 *	28,029	34,375	22.6%
Dairy Products	34,714	46,423	70,012	64,875	72,185 *	14,489	22,389	54.5%
Eggs & Products	20,787	33,332	31,396	24,968	32,986	6,932	10,051	45.0%
Fresh Fruit	335,778	427,800	410,469	409,440	482,691 *	113,883	141,904	24.6%
Fresh Vegetables	49,630	69,774	79,518	114,035	185,819 *	46,771	58,690	25.5%
Processed Fruit & Vegetables	321,942	337,934	357,871	392,928	447,788 *	102,299	123,817	21.0%
Fruit & Vegetable Juices	99,506	89,587	121,922	91,959	122,571 *	27,395	34,864	27.3%
Tree Nuts	101,079	105,337	119,496	147,141 *	126,830	38,092	29,613	-22.3%
Wine and Beer	78,095	75,045	94,253	76,844	177,247 *	22,690	27,912	23.0%
Nursery Products & Cut Flowers	8,139	9,366	9,161	10,610	11,006 *	3,063	2,921	-4.6%
Pet Foods, Dog/Cat	63,112	90,588	109,426	128,165	144,059 *	30,039	46,663	55.3%
Other Consumer-Oriented Products	75,469	96,133	85,074	113,847	151,269 *	32,300	36,629	13.4%
Wood Products Total	2,813,516	2,615,836	2,722,594	3,193,684 *	3,118,964	723,776	803,656	11.0%
Logs	1,616,632	1,363,741	1,535,817	1,876,144 *	1,765,435	402,781	458,691	13.9%
Lumber	639,239	630,426	631,301	765,099 *	760,008	186,969	195,233	4.4%
Plywood & Panel Products	32,362	38,109	35,324	52,124 *	51,775	12,822	14,474	12.9%
Other Wood Products	525,283	583,559 *	520,153	500,317	541,745	121,205	135,259	11.6%
Fish & Seafood Products Total (Edible)	1,785,747	1,869,023	2,224,179 *	1,911,235	1,870,703	551,445	531,604	-3.6%
Salmon, Whole/Eviscerated	561,703	353,086	577,473	482,211	429,435	15,079	7,311	-51.5%
Salmon, Canned	221	357	2,331	1,084	1,855	1,505	12	-99.2%
Crab & Crabmeat	341,996	397,632	411,110 *	374,860	310,325	218,661	110,295	-49.6%
Surimi (fish paste)	N/A	N/A	328,560 *	233,766	275,484	83,950	126,792	51.0%
Roe & Urchin	250,122	337,579	380,886	385,589 *	369,189	127,279	168,679	32.5%
Other Edible Fish & Seafood Products	631,704	780,369 *	523,820	433,725	484,414	104,972	118,515	12.9%
Agricultural Product Total	8,025,759	7,712,684	8,417,754	8,694,797	9,261,931 *	2,344,237	2,583,032	10.2%
Agricultural, Fish & Wood Product Total	12,625,022	12,197,543	13,364,527	13,799,716	14,251,598 *	3,619,458	3,918,292	8.3%

Note: (*) Highest export level since at least 1970; N/A = not available; NA = not applicable.

Feature Story: Trade Flows from U.S. Customs Districts

U.S. agricultural products and other merchandise are exported through the nation's forty-two customs districts. The customs districts contain U.S. ports, which are the pulse of the nation's trade flows. Exports of agricultural, fish, and forest products have increased through West Coast ports indicating the growth and diversity of trade to the Pacific Rim although New Orleans continues to export the largest portion of these products. Ports scattered throughout the nation rely on agricultural, fish, and forest products for a large portion of their business, including Port Arthur, Texas, Portland, Oregon, and Duluth, Minnesota.

By Carmi Lyon

The United States exported \$55.7 billion in agricultural, fish, and forestry (AFF) products in 1994, accounting for 11.6 percent of all merchandise exports. In 1994 the top five ports exporting these products (in dollar value) were New Orleans, Seattle, Los Angeles, San Francisco, and Portland. The top five ports have not changed in the past four years although the distribution of exports among these ports has changed.

West Coast Ports Reflect Importance of Pacific Rim Markets

Four of the top five ports in dollar value are on the West Coast: Seattle, Los Angeles, San Francisco, and Portland. All four of these districts

have seen dramatic growth in the past four years. All totaled, these four west coast ports accounted for 37 percent of all agricultural, fish, and forest exports from the United States in 1994.

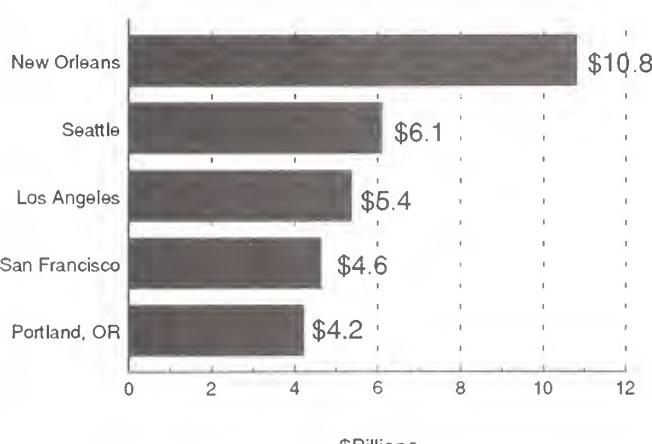
The port district of New Orleans continued its three-year market share decline in 1994. In 1992, 23 percent of all AFF exports were handled through New Orleans. The share fell to 19 percent in 1994. While New Orleans still exports more than any other customs district, the dollar value of these exports fell from \$12.0 billion in 1992 to \$10.8 billion in 1994. This decline may represent a fundamental shift in U.S. export markets as the Pacific Rim, serviced mainly by west

coast ports, continues to increase in importance to U.S. exporters.

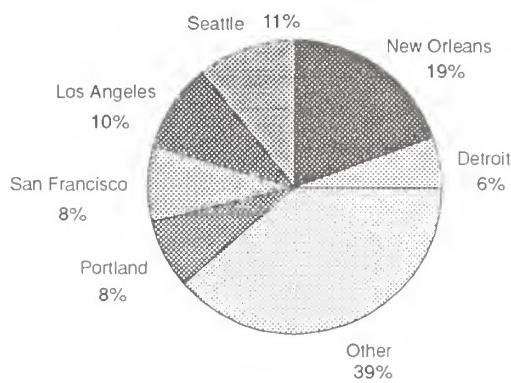
Exports important to the New Orleans customs district were mainly bulk agricultural commodities, including \$5.5 billion in oilseeds, \$3.0 billion in corn, \$764 million in wheat, and \$396 million in rice. In contrast, west coast exports were more oriented towards high value products popular in the Far East, as well as fish and forest products, although selected bulk commodities are still important. San Francisco and Seattle were the most oriented towards consumer food products. The port of San Francisco handled \$226 million in poultry products, \$628 million in tree nuts, \$532 million in beef and veal products, \$151 million in raisins, \$108 million in prunes, and \$108 million in wines in addition to \$265 million in rice in 1994. Seattle exported \$442 million in beef and veal products, \$313 million in salmon, and \$381 million in softwood lumber in addition to approximately \$600 million in bulk wheat, corn and oilseeds and \$812 million in softwood logs. Other significant exports from the port of Seattle included french fries, apples, and poultry meat.

The Portland port's major exports in 1994 were wheat at \$1.9 billion and \$706 million in softwood logs. Other

Top Customs Districts by Value of Agricultural, Fish, & Forestry Exports in 1994



Distribution of Exports Among Top U.S. Customs Districts



Port's AFF exports as a percentage of total U.S. AFF exports

...Trade Flows

noteworthy exports included \$198 million in corn, \$145 million in cattle hides, \$62 million in potatoes, and \$28 million in sweet corn. The port of Los Angeles exported \$1.5 billion in cotton, \$615 million in beef and veal products, and \$212 million in tree nuts. Pet foods, oranges, lemons, grapes, and beer were also major exports from Los Angeles.

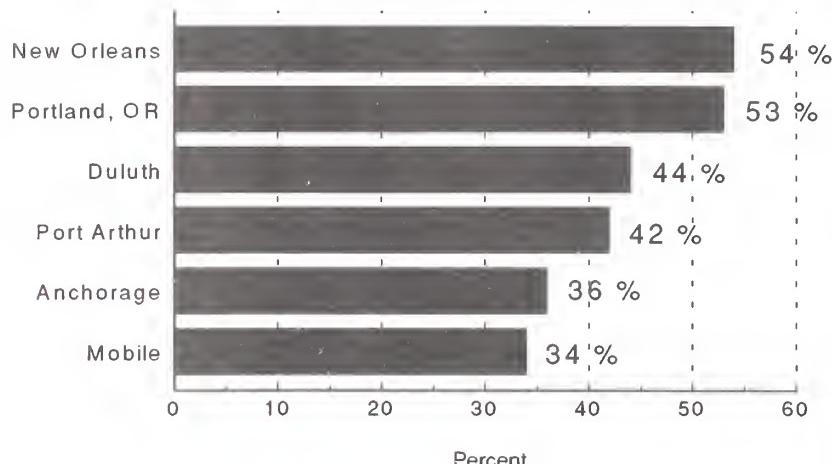
Detroit, Laredo, Houston-Galveston, Anchorage, and New York City round out the top ten customs districts for 1994. One surprise in the top ten is Anchorage. Although not a traditional agricultural port, total AFF exports from Anchorage were \$1.9 billion in 1994, of which \$1.5 billion were fish products and \$468 million were forest products. Major exports from Anchorage included \$389 million in softwood logs, \$302 million in salmon, \$268 million in surimi, and \$266 million in crab. The composition of Anchorage's exports reflects the importance of fish and forest products to Alaska's economy and that state's geographic proximity to Japan.

AFF Exports Important to Ports Throughout the Nation

Overall, the importance of agricultural, fish, and forest products (in dollar value) to U.S. customs districts declined in 1994 after steadily increasing over the previous three years. These products accounted for 11.6 percent of all U.S. merchandise exports in 1994. Six U.S. customs districts spread throughout the United States relied on AFF exports for more than 30 percent of their total merchandise exports in 1994.

New Orleans and Portland, Oregon relied most heavily on agricultural, fish, and forest products exports in 1994. Fifty-four percent of total merchandise exported from the New Orleans customs district were AFF products. These products accounted for 53 percent of all exports from the Portland customs district. Most of the exports from New Orleans were agricultural products while the Portland customs district was more evenly split between agricultural

Importance of Agricultural, Fish, & Forestry Exports to Customs Districts in 1994 Expressed as a Share of the Port's Total Exports



and forestry products. Agricultural products accounted for 35 percent of all exports while forestry products accounted for 18 percent of all exports from Portland.

negligible while fish exports accounted for 27 percent of Anchorage's total exports and forest products represented 9 percent of total exports.

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AFF products were also important to the customs districts of Duluth, Port Arthur, Anchorage, and Mobile. These products constituted 44 percent of all merchandise exports from Duluth, with agriculture representing the bulk of these exports. Port Arthur, Texas relied most heavily on AFF products in 1992 and 1993, with these products accounting for approximately 60 percent of all exports in both years. In 1994, the importance of AFF exports fell to 42 percent, due mainly to declines in grain products although all AFF products decreased. Thirty-two percent of all exports from Port Arthur were agricultural and 10 percent were forest products.

Thirty-four percent of the Mobile customs district's exports were AFF products. These products were evenly split between agricultural and forest products. Anchorage was the lone port that did not rely heavily on agricultural products. Agricultural exports were

Trade Policy and Market Updates

Northeast Seafood Makes Inroads in South Korea

U.S. exports of fresh and frozen monkfish to South Korea are expected to exceed \$35 million in 1995, reflecting fast growth linked to import liberalization under South Korea's Balance of Payments program. Korean imports of U.S. fresh monkfish more than tripled from 1993 to 1994 to 3,500 tons. The market for frozen monkfish imports opened in January of this year which should add further impetus to sales. ATO/Seoul reports substantial interest in making buyer/seller contacts in 1995 with a number of U.S. suppliers planning travel to Korea this year. Also making inroads in the market are U.S. live lobster exporters who have increased sales from \$100,000 in 1993 to over \$1,000,000 in 1994. South Korea is a major target market for U.S. seafood exporters, worth \$130 million annually and primarily concentrated in surimi (fish paste).

Russia Expected to Increase Import Duties on Food

Interfax news service reports that the Russian Government is expected to increase import duties for food to provide protection for Russian farmers. Duties on imported red meat will increase from 8 to 15 percent, and duties on butter will rise from 15 to 20 percent. Duties for sugar and wool are also expected to rise. This is the latest in a series of attempts by the Russian Government to increase duties on food. Higher duties were first introduced in March 1994, suspended in April 1994, re-implemented in July 1994, and later suspended for Moscow, St. Petersburg, and Yekaterinburg. U.S. export data for calendar year 1995 show red meat exports of 19,308 tons through February, up 4.863 percent from last year. The increased duties are expected to have only a limited impact on U.S. meat exports.

Taiwan Purchases U.S. Potatoes at April Tenders, But Quotas Remain Unfilled

Taiwan's Central Trust of China (CTC) accepted bids for 320 tons of U.S. potatoes at 3 tenders conducted in April, according to the Agricultural Section Chief in Taipei. These purchases follow initial purchases of 80 tons in February, when Taiwan first opened its market to U.S. potatoes. Due to a scarcity of bids, however, additional quota amounts may go unused because CTC regulations require three bidders for each tender. April's potato import quota was set at 1,800 tons, with additional quotas in May and June to be allocated in accordance with Taiwan's supply and demand situation. Large minimum lot sizes may still pose a problem, as all successful bids in April were for lot sizes in the range of 20-120 tons, while larger lots of 200 tons failed to attract enough bidders. U.S. potato industry representatives are formulating suggestions for COA to encourage more successful bids for import quotas. U.S. fresh potato exports to Taiwan could reach \$2-3 million annually after Taiwan lifts its quota system as part of its anticipated accession to the WTO.

Florida Tomato Exchange Withdraws Injury Petition on Imported Tomatoes

The Florida Tomato Exchange recently withdrew its section 202 petition for relief from imported winter tomatoes. Withdrawal of the petition follows the International Trade Commission's April 17 preliminary negative determination of damage from imports. The withdrawal of the petition eliminates the need for a final injury determination, which had been scheduled for July 27. The Florida growers filed their petition following a surge in imports of Mexican tomatoes during February which caused wholesale prices to decline by about 50 percent. A short crop in Florida, leading to the higher-than-normal prices, ideal growing conditions in Mexico and the devalued peso were key factors behind the surge. U.S. imports of Mexican tomatoes during the November 15, 1994 - February 28, 1995 period exceeded the NAFTA tariff rate quota assigned to that period, triggering an increase in duty from 2.6 to the pre-NAFTA rate of 3.3 cents per kilogram.

...Trade Policy and Market Updates

Australia Protests Japan's Delay of Rice Imports

The Australian Government objected to Japan's decision to delay its first imports of rice under its GATT agreement of 379,000 tons in 1995/96 (April/March). Japan's first import auction for rice was originally scheduled for May, but it has been postponed for a couple of months. Australia is especially concerned because it had hoped to take advantage of the southern hemisphere growing cycle which allows Australia to enter the market several months before other suppliers. Australia is nearing the end of its 1994/95 harvest and, despite the drought, expects a record crop of almost 1.14 million tons. If unable to sell in Japan, Australian rice is likely to re-enter Middle Eastern markets after a half-year hiatus, probably displacing U.S. rice.

Commercial Pork Sales to Russia on the Rise

The trade reports that unsubsidized pork exports to Russia continue without disruption. This business was originally introduced under the Export Enhancement Program (EEP). Traders report that over 20,000 tons of U.S. pork cuts have been sold to Russia on strictly commercial terms since early 1995. A number of firms involved in the Russian pork trade have asked that the 4,250 tons remaining available under EEP not be allocated as it would disrupt the commercial exports already in the pipeline. Due to Russian animal health concerns, all of our pork sales go for further processing. According to reliable sources, the Russian Federation will import up to 150,000 tons of pork this year.

Canada Announces Plant Health Inspection Fees for Fruits and Vegetables

Effective May 1, 1995, Canada began charging a plant health inspection fee of \$30 on selected shipments of imported fruits and vegetables, thereby raising the cost of importing produce from the United States and other suppliers. Canada is the top market for U.S. horticultural products, with exports totaling \$2.5 billion in CY 1994, an increase of 5 percent from the previous year. Additionally, on May 17, 1995, Canada lifted its requirement for an AMS quality certificate for all U.S. fruits and vegetables except apples, potatoes, blueberries, and onions, a segment of trade worth about \$125 million in CY 1994. Removing the certificate requirement permits U.S. exporters more flexibility in deciding whether to purchase an AMS quality certificate to reduce the risk of problems in Canada. Phytosanitary requirements were not affected by Canada's recent announcements. Agriculture Canada and Agri-Food Canada are also considering imposing fees for quality inspection similar to those imposed for plant health inspection. Eventually, cost recovery measures will be imposed for all inspection services including registration, label review, import/export certification, grading, and laboratory work, raising the overall cost of trading with Canada.

Resumption of Poultry Exports from Georgia to the Russian Federation

A USDA interagency team (FAS/FSIS/APHIS) in Paris recently successfully negotiated the bilateral poultry health protocol which allows U.S. poultry shipments from Georgia to the Russian Federation to resume. USDA's Food Safety and Inspection Service (FSIS) issued a notice in early April that poultry products from Georgia could not be exported to Russia, due to the presence of infectious laryngotracheitis (LT). Russian poultry import certification required that poultry originate in a state free of infectious poultry diseases, including LT, during the previous six months. The Russian negotiators agreed to limit their concerns to field strains of LT, not including clinical LT symptoms resulting from vaccination, as was the case recently in both Georgia and South Carolina. The change is effective retroactively, allowing the resumption of exports from Georgia immediately. Russia is the largest U.S. poultry export market (almost \$300 million in 1994, nearly 30 percent of total poultry exports). Georgia is the nation's second largest poultry producing state.

...Trade Policy and Market Updates

China's Foreign Exchange Clamp-Down Interrupts Agricultural Imports

Hong Kong traders report that many of their customers in the re-export trade to China have been hurt by Chinese Government interruption of currency conversion. This has reduced exports of pork, frozen poultry, and other products from the United States and other sources bound for the mainland. It has also caused importers to default on payments to suppliers from Hong Kong, creating a backlog of unsold goods including poultry and pork parts. The traders expect that the controls will last through July, and will continue to dampen export and re-export prospects for the short term.

Argentina Celebrates One-Year Free of FMD

On April 27, the Argentine beef industry and Government celebrated one year without an outbreak of foot and mouth disease (FMD). Once the United States adopts and publicizes its regionalization regulations (possibly by the end of 1995 or early 1996), Argentina could become eligible to export fresh, chilled, and frozen beef, under certain conditions, to the United States. Argentina has a 20,000-ton tariff rate quota negotiated under the GATT Uruguay Round. Between 1992 and 1994, reported outbreaks of FMD in Argentina declined from 350 to 18 cases. Argentina continues its vaccination program.

EU Opens Aggressive 1995/96 Export Tenders

The EU will open 1995/96 with its largest new-crop export tender program in four years. Total tenders of 8.5 million tons will be mostly soft wheat (4.2 million tons) and barley (3.2 million tons), but no durum for the third consecutive year. Two-thirds (5.6 million tons) of the new-crop tenders will cover exports from the free market, in contrast to past years, when the emphasis was on exports from large intervention stocks. Last year the EU opened with total tenders for 6.7 million tons (2.3 million tons from the free market).

Thailand to Import More Corn

Thailand reportedly reduced its import tariff on corn, from 20 to 7.5 percent, and suspended its import surcharge to allow as much as 200,000 tons of imports before the end of July. Historically an exporter of 650,000 tons of corn annually to nearby markets such as Malaysia, Thailand began importing corn in 1991/92 due to rapidly-growing domestic demand. Thailand is projected to export only 100,000 tons of corn in 1995/96. Under the Uruguay Round, Thailand is committed to corn imports of 52,000 tons in 1995/96, at an in-quota tariff rate of 20 percent.

Horticultural Trade Team Finds Strong Market Potential in Vietnam

A combined FAS and industry team visited Vietnam in May to assess the market potential for U.S. horticultural products. While Hanoi currently maintains a policy of regulating imports of "consumer/luxury" goods, a designation that extends to most horticultural products, the system is functioning and direct imports from the United States are taking place. Products believed to hold significant potential now include apples, oranges, grapes, almonds, other fresh fruit, and snack items (e.g., other nuts, potato chips etc.). Importers indicated that for price and quality considerations, they preferred to deal directly with U.S. exporters, as opposed to securing U.S. product indirectly through third countries (e.g., Singapore, Hong Kong). The consensus view of the team is that the greatest immediate potential for increased sales is in the South, notably Ho Chi Minh City.

U.S. Exports of Agricultural, Fish & Wood Products to All Countries

Calendar Years 1990 to 1995 and Year-to-Date Comparisons (\$1,000)

Product	Calendar Years					January-March		%
	1990	1991	1992	1993	1994	1994	1995	
Bulk Agricultural Total	20,232,083	18,348,386	19,687,248	18,593,458	18,951,466	4,995,052	6,960,402	39.3%
Wheat	3,839,037	3,292,138	4,449,324	4,664,582	4,056,007	1,038,338	1,218,297	17.3%
Coarse Grains	7,036,717	5,722,597	5,736,599	5,000,598	4,731,925	1,199,690	1,794,223	49.6%
Rice	801,527	753,557	726,072	771,312	1,010,548	254,817	245,688	-3.6%
Soybeans	3,549,508	3,956,443	4,380,402	4,598,746	4,330,427	1,389,894	1,602,603	15.3%
Cotton	2,798,495	2,491,999	2,010,338	1,540,678	2,676,263	585,954	1,464,624	150.0%
Tobacco	1,441,116	1,427,631	1,650,559 *	1,306,067	1,302,745	350,046	425,916	21.7%
Pulses	353,111	268,414	191,656	213,254	280,649	51,732	60,247	16.5%
Peanuts	203,373	180,304	240,308	204,576	187,552	37,969	62,110	63.6%
Other Bulk Commodities	209,199	255,304	301,989	293,645	375,352	86,613	86,695	0.1%
Intermediate Agricultural Total	8,573,907	8,789,224	9,231,134	8,973,466	9,749,696 *	2,442,114	3,126,685	28.0%
Wheat Flour	182,956	184,256	184,317	205,729	211,248	60,048	70,754	17.8%
Soybean Meal	1,005,103	1,155,307	1,294,722	1,132,041	958,920	285,312	325,457	14.1%
Soybean Oil	312,930	222,126	376,202	363,897	525,077	100,192	354,350	253.7%
Other Vegetable Oils	394,790	418,144	502,732	543,897	671,187 *	135,616	245,167	80.8%
Feeds & Fodders (excl. pet foods)	1,572,369	1,605,732	1,722,327	1,744,163 *	1,738,454	444,091	492,376	10.9%
Live Animals	513,783	686,563 *	607,891	518,927	587,352	133,163	111,136	-16.5%
Hides & Skins	1,729,731	1,357,570	1,326,054	1,268,658	1,507,616	357,757	458,388	28.1%
Animal Fats	428,729	426,824	515,214	501,702	598,546	128,575	204,515	59.1%
Planting Seeds	588,723	671,655	675,011 *	619,359	648,614	241,332	240,243	-0.5%
Sugars, Sweeteners & Bever. Bases	572,052	634,101	573,921	567,807	656,761	160,562	169,274	5.4%
Other Intermediate Products	1,272,743	1,426,946	1,452,744	1,507,288	1,645,921 *	395,465	455,025	15.1%
Consumer-Oriented Agricultural Total	10,465,615	11,967,920	13,895,994	14,911,316	16,988,134 *	3,693,638	4,233,477	14.6%
Snack Foods (excluding nuts)	530,125	633,040	829,679	1,024,643	1,101,668 *	253,076	233,861	-7.6%
Breakfast Cereals & Pancake Mix	157,882	216,802	219,762	252,993	291,979 *	66,717	63,041	-5.5%
Red Meats, Chilled/Frozen	2,394,495	2,660,267	3,112,361	3,055,222	3,383,394 *	738,309	888,994	20.4%
Red Meats, Prepared/Preserved	135,998	165,101	181,562	220,038	253,621 *	56,437	54,770	-3.0%
Poultry Meat	672,888	817,913	928,464	1,100,613	1,570,414 *	315,398	439,061	39.2%
Dairy Products	328,053	462,956	793,754	857,487 *	753,257	203,192	174,395	-14.2%
Eggs & Products	101,979	143,367	139,234	139,438	164,653	36,132	36,152	0.1%
Fresh Fruit	1,486,489	1,561,053	1,683,344	1,707,147	1,953,767 *	398,159	428,823	7.7%
Fresh Vegetables	728,648	832,935	899,624	985,953	1,046,789 *	237,125	287,451	21.2%
Processed Fruit & Vegetables	1,246,753	1,394,490	1,558,121	1,639,583	1,720,891 *	380,074	457,429	20.4%
Fruit & Vegetable Juices	375,497	385,414	461,017	469,517	543,013 *	111,131	163,352	47.0%
Tree Nuts	801,120	867,704	928,531	998,246	1,106,416 *	260,245	263,904	1.4%
Wine and Beer	266,202	315,756	369,181	379,301	532,735 *	89,353	129,989	45.5%
Nursery Products & Cut Flowers	186,741	201,442	201,321	209,397 *	197,985	53,999	55,271	2.4%
Pet Foods, Dog/Cat	244,038	329,772	399,630	497,621	577,943 *	133,544	151,705	13.6%
Other Consumer-Oriented Products	808,706	979,907	1,190,410	1,374,116	1,789,607 *	360,748	405,278	12.3%
Wood Products Total	6,481,227	6,429,179	6,741,685	7,281,313 *	7,029,961	1,699,958	1,827,204	7.5%
Logs	2,388,921	2,074,432	2,140,010	2,489,560 *	2,277,981	531,050	594,913	12.0%
Lumber	2,127,895	2,203,353	2,322,491	2,449,643 *	2,428,150	603,966	617,741	2.3%
Plywood & Panel Products	769,983	735,227	847,867	906,397	944,360 *	239,833	280,126	16.8%
Other Wood Products	1,194,428	1,416,167	1,431,317	1,435,714 *	1,379,471	325,109	334,424	2.9%
Fish & Seafood Products Total (Edible)	2,776,759	3,035,383	3,353,935 *	2,959,086	3,002,265	790,292	779,108	-1.4%
Salmon, Whole/Eviscerated	666,582	436,975	681,663	583,060	518,413	28,547	24,510	-14.1%
Salmon, Canned	104,276	133,644	154,401	160,416	161,577 *	34,801	44,713	28.5%
Crab & Crabmeat	363,251	431,411	448,050 *	417,660	349,136	239,862	115,609	-51.8%
Surimi (fish paste)	N/A	N/A	367,627 *	274,322	318,850	94,923	132,630	39.7%
Roe & Urchin	289,458	389,031	421,396 *	415,319	403,963	142,294	185,558	30.4%
Other Edible Fish & Seafood Products	1,353,193	1,644,322 *	1,280,798	1,108,309	1,245,325	249,865	276,087	10.5%
Agricultural Product Total	39,271,605	39,105,530	42,814,376	42,478,240	45,689,296 *	11,130,804	14,320,564	28.7%
Agricultural, Fish & Wood Product Total	48,529,591	48,570,092	52,909,996	52,718,639	55,721,522 *	13,621,054	16,926,876	24.3%

Note: (*) Highest export level since at least 1970, N/A = not available, NA = not applicable.

U.S. Exports of Agricultural, Fish & Wood Products by Major Group

Monthly and Annual Performance Indicators

Export Values	March		October-March			Fiscal Year		
	1994	1995	FY '94	FY '95	1994	1995(f)		
	-- \$Billion --	Chg	-- \$Billion --	Chg	-- \$Billion --	Chg		
Grains and Feeds 1/	1.230	1.479	20%	7.261	8.524	17%	13.413	16.0 19%
Wheat & Flour	0.349	0.437	25%	2.310	2.541	10%	4.228	5.1 21%
Rice	0.102	0.077	-25%	0.463	0.574	24%	0.891	0.9 1%
Coarse Grains 2/	0.454	0.627	38%	2.613	3.371	29%	4.569	6.4 40%
Corn	0.361	0.552	53%	2.220	2.974	34%	3.817	5.6 47%
Feeds & Fodders	0.196	0.220	12%	1.174	1.279	9%	2.277	2.2 -3%
Oilseeds and Products	0.630	0.953	51%	4.439	5.441	23%	6.975	8.2 18%
Soybeans	0.386	0.505	31%	2.879	3.261	13%	4.161	4.8 15%
Soybean Cakes & Meals	0.101	0.112	10%	0.615	0.601	-2%	1.013	0.9 -11%
Soybean Oil	0.028	0.176	538%	0.228	0.574	152%	0.433	0.8 85%
Other Vegetable Oils	0.048	0.082	71%	0.298	0.471	58%	0.608	N/A N/A
Livestock Products	0.555	0.667	20%	3.042	3.795	25%	6.320	6.9 9%
Red Meats	0.282	0.320	14%	1.504	1.848	23%	3.206	3.6 12%
Hides, Skins & Furs	0.142	0.167	18%	0.659	0.845	28%	1.423	1.6 12%
Poultry Products	0.156	0.194	24%	0.803	1.090	36%	1.720	2.1 22%
Poultry Meat	0.125	0.164	32%	0.638	0.915	43%	1.383	N/A N/A
Dairy Products	0.088	0.080	-9%	0.477	0.378	-21%	0.832	0.8 -4%
Unmanufactured Tobacco	0.104	0.141	36%	0.671	0.789	18%	1.260	1.4 11%
Cotton and Linters	0.228	0.546	140%	0.970	2.219	129%	2.306	4.0 73%
Planting Seeds	0.065	0.060	-8%	0.423	0.455	8%	0.619	0.7 13%
Horticultural Products	0.688	0.750	9%	3.876	4.679	21%	8.098	9.4 16%
Sugar & Tropical Products	0.172	0.165	-4%	1.000	0.995	-1%	1.928	2.0 4%
Wood Products 4/	0.644	0.672	4%	3.413	3.624	6%	6.946	N/A N/A
Fish and Seafood Products 4/	0.322	0.337	5%	1.362	1.441	6%	2.912	N/A N/A
Total Agriculture	3.914	5.035	29%	22.961	28.365	24%	43.474	51.5 18%
Total Ag., Fish & Wood	4.880	6.043	24%	27.737	33.430	21%	53.333	N/A N/A
Export Volumes	-- MMT--	Chg	-- MMT--	Chg	-- MMT--	Chg		
Grains and Feeds 1/	7.689	10.097	31%	48.295	59.434	23%	88.581	N/A N/A
Wheat	2.637	2.691	2%	17.105	16.412	-4%	31.132	33.0 6%
Wheat Flour	0.119	0.149	26%	0.520	0.585	12%	1.037	1.1 6%
Rice	0.232	0.272	17%	1.325	2.129	61%	2.438	3.0 23%
Coarse Grains 2/	3.545	5.618	58%	22.044	32.147	46%	39.845	58.4 47%
Corn	2.815	4.979	77%	18.665	28.388	52%	33.057	51.5 56%
Feeds & Fodders	0.958	1.164	22%	6.176	6.895	12%	11.797	12.4 5%
Oilseeds and Products	2.141	3.380	58%	15.694	20.809	33%	24.154	31.1 29%
Soybeans	1.459	2.261	55%	11.219	14.871	33%	16.364	21.8 33%
Soybean Cakes & Meals	0.464	0.628	35%	2.879	3.382	17%	4.859	5.4 11%
Soybean Oil	0.043	0.256	498%	0.381	0.868	128%	0.694	1.1 59%
Other Vegetable Oils	0.057	0.103	80%	0.434	0.654	51%	0.849	N/A N/A
Livestock Products 3/	0.256	0.325	27%	1.408	1.800	28%	2.957	N/A N/A
Red Meats	0.087	0.096	10%	0.481	0.586	22%	1.025	1.1 7%
Poultry Products 3/	0.128	0.175	37%	0.657	0.948	44%	1.405	N/A N/A
Poultry Meat	0.124	0.172	39%	0.637	0.925	45%	1.364	1.8 32%
Dairy Products 3/	0.044	0.046	2%	0.399	0.467	17%	0.467	N/A N/A
Unmanufactured Tobacco	0.017	0.020	17%	0.107	0.117	10%	0.196	N/A N/A
Cotton & Linters	0.170	0.308	81%	0.752	1.363	81%	1.639	2.3 40%
Planting Seeds	0.063	0.035	-45%	0.305	0.271	-11%	0.498	N/A N/A
Horticultural Products 3/	0.573	0.601	5%	3.086	3.643	18%	6.560	7.5 14%
Sugar & Tropical Products 3/	0.107	0.094	-12%	1.102	0.910	-17%	0.910	N/A N/A
Total Agriculture 3/	11.189	15.080	35%	71.805	89.764	25%	127.414	159.2 25%

Notes: 1/ Includes pulses, corn gluten feed and meal; 2/ includes corn, oats, barley, rye and sorghum; 3/ includes only those items measured in metric tons; 4/ items not included in agricultural product totals. N/A = not available.

FY 1995 forecasts (f) are based on USDA's "Outlook for Agricultural Exports," published May 31, 1995.

U.S. Agricultural Export Value by Region

Monthly and Annual Performance Indicators

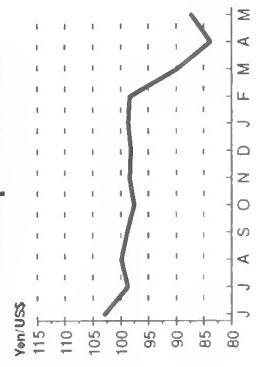
	March			October-March			Fiscal Year		
	1994 -- \$Billion --	1995 -- \$Billion --	Chg	FY '94 -- \$Billion --	FY '95 -- \$Billion --	Chg	1994 -- \$Billion --	1995(f) -- \$Billion --	Chg
Western Europe	0.603	0.878	46%	4.301	5.131	19%	7.013	8.1	15%
European Union 1/	0.577	0.842	46%	4.164	4.938	19%	6.741	7.8	16%
Other Western Europe	0.025	0.036	43%	0.137	0.193	41%	0.272	0.3	10%
Central & Eastern Europe	0.020	0.019	-8%	0.182	0.178	-2%	0.310	0.4	29%
Former Soviet Union	0.093	0.132	42%	1.011	0.576	-43%	1.474	1.1	-25%
Russian Federation	0.074	0.100	35%	0.859	0.460	-46%	1.095	0.8	-27%
Asia	1.675	2.391	43%	8.907	11.983	35%	17.671	22.6	28%
Japan	0.852	0.867	2%	4.716	5.023	7%	9.193	9.7	6%
China	0.052	0.423	708%	0.207	1.278	516%	0.877	2.3	162%
Other East Asia	0.532	0.735	38%	2.746	3.741	36%	5.261	6.8	29%
Taiwan	0.220	0.254	15%	1.212	1.274	5%	2.103	2.3	9%
South Korea	0.208	0.338	63%	1.034	1.730	67%	2.055	3.1	51%
Hong Kong	0.104	0.142	37%	0.499	0.734	47%	1.101	1.5	36%
Other Asia	0.239	0.366	53%	1.237	1.942	57%	2.340	3.7	58%
Pakistan	0.025	0.077	206%	0.139	0.286	106%	0.212	0.4	88%
Philippines	0.058	0.057	-1%	0.272	0.319	17%	0.554	0.6	8%
Middle East	0.126	0.217	73%	0.938	1.314	40%	1.650	2.2	33%
Israel	0.019	0.040	113%	0.192	0.232	21%	0.346	0.5	44%
Saudi Arabia	0.036	0.049	36%	0.264	0.263	-0%	0.470	0.5	6%
Africa	0.220	0.257	17%	1.208	1.521	26%	2.159	2.9	34%
North Africa	0.145	0.195	35%	0.844	1.121	33%	1.438	2.1	46%
Egypt	0.051	0.134	162%	0.296	0.721	144%	0.598	1.5	151%
Algeria	0.077	0.041	-47%	0.394	0.247	-37%	0.592	0.5	-16%
Sub-Saharan Africa	0.075	0.062	-17%	0.364	0.400	10%	0.721	0.8	11%
Latin America	0.685	0.591	-14%	3.530	4.279	21%	7.228	7.6	5%
Mexico	0.417	0.247	-41%	1.891	1.962	4%	4.126	3.6	-13%
Other Latin America	0.268	0.344	29%	1.639	2.318	41%	3.103	4.0	29%
Brazil	0.025	0.031	23%	0.140	0.466	233%	0.227	0.8	253%
Venezuela	0.037	0.037	-0%	0.229	0.238	4%	0.401	0.4	-0%
Canada	0.454	0.484	7%	2.514	2.892	15%	5.248	5.9	12%
Oceania	0.040	0.049	24%	0.254	0.332	31%	0.497	0.7	41%
World Total	3.914	5.035	29%	22.962	28.367	24%	43.474	51.5	18%

Note: 1/ EU-15 (includes the newest member states of Austria, Finland and Sweden).

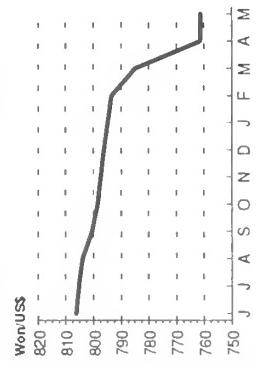
FY 1995 forecasts (f) are based on USDA's "Outlook for U.S. Agricultural Exports," published May 31, 1995.

Daily Spot Quotations & Monthly Averages

vs. Japanese Yen



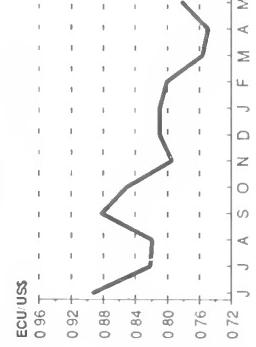
vs. South Korean Won



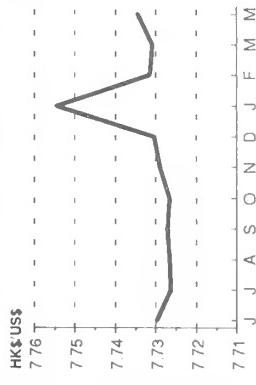
NOTE: Exchange rates are daily spot quotes as of 3:00 PM Eastern Time, May 23, 1995.

Source: TEAD/ITP/FAS Exchange Rate Database and Wall Street Journal.

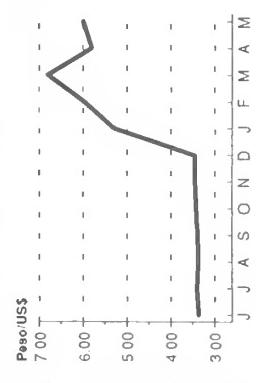
vs. European ECU



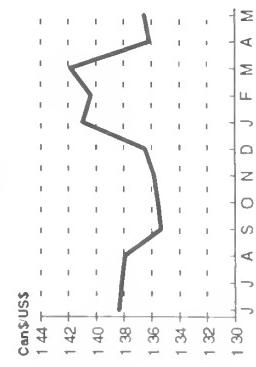
vs. Hong Kong Dollar



vs. Mexican Peso



vs. Canadian Dollar



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